

# Mental Health Division Revenue and Expenditure Report Instructions



## Contact

Jan Hentze

(360) 902-8471

[hentzej1@dshs.wa.gov](mailto:hentzej1@dshs.wa.gov)

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## OVERVIEW

### General Instructions

1. Report RSN revenues and expenditures (not provider revenues and expenditures).
2. Report the accounting method your RSN uses (Full, Modified or Cash Basis).
3. Report expenditures associated with reported revenues
4. Report expenditure distribution method. Refer to the suggested Cost Allocation Guidelines for acceptable cost allocation methodologies.
5. Revenue and Expenditure Report Format
  - a. Do not change or fill in gray areas. These are formulas and will be automatically generated depending upon CMS requirements.
  - b. Do not delete rows or add rows to the Revenue and Expenditure Report. Insert comment boxes to a cell or attach supplemental information if you need to clarify any amount.
  - c. Do not change the overall format. Reports must be submitted in exactly the same format so that MHD can summarize and condense the information to one page (link the reports).
  - d. Columns in the R&E Report identify "Fund Source."
  - e. Rows in the report identify "Type of Service or Program."
6. Maintenance of Effort (MOE) must be reported. The combined total of MOE on the Medicaid R&E and Non-Medicaid R&E may be used to satisfy this requirement.
7. The RSN should report *current* fund balances (the final date of the R&E reporting period.) The fund balance should reflect reserves and fund **balances held at the RSN—not held at the providers**. Each category of reserves and fund balances must be reported by fund source; capitation (Medicaid) funds and other funds.

### Revenue and Expenditure Report Due Dates

Reports are due within 45 days of the quarter end (September, December, March and June of each year).

### Corrections to Prior Period Reports

#### During a fiscal year

If you discover an error in a previously submitted report, correct the error in the quarter in which the error was discovered. For example, you discover an error in the July-September Report in December. Make the correction in the October to December report. Add a note to the October to December report explaining the correction

#### For a prior fiscal year

If the error is not material in nature, correct the error in the quarter report in which the error was discovered. Add a note to the report explaining the correction. If the error is material in nature, the RSN should contact the division and discuss resubmitting the report.

### Bars Supplemental Information

The Department of Social and Health Services (DSHS) publishes this supplement to aid local governments in accounting for programs in accordance with the Budgeting, Accounting, and Reporting System (BARS) promulgated by the Office of the State Auditor. It can be found at:  
<http://www.sao.wa.gov/LocalGovernment/BARS/Index.htm>

The purpose of this supplement is to define the revenue, expenditure, fund balance, and elements and sub-elements specific to the Regional Support Network (RSN). The State Auditor determines BARS Basic Accounts, Sub-accounts, and Object Account codes. Basic Expenditure Account 564.00 is defined as Mental Health Services. The Mental Health Division in DSHS determines element/sub-element categories corresponding to the expenditure accounts for 564.00. Local government contractors must use the element/sub-element categories contained in this supplement when accounting for expenditures.

Please refer to the BARS Manual published by the State Auditor for questions regarding BARS Account Code structure, resource account codes, expenditure and use of accounts, definitions and classification of expenditure objects.

## **Special Legislative Funding (Proviso's)**

### General Information

Report funds designated by the legislature for a specific purpose in the appropriate Revenue or Expenditure row. If administrative dollars are allowed, be sure and clearly identify the proviso administrative dollars in the Administrative Expenditure section. Program funds designated by the legislature for a specific purpose unspent at fiscal year end should be held in Reserve for Encumbrances.

### Return of Proviso Dollars

Funds designated by the legislature for a specific purpose from a prior fiscal year (held in Reserve for Encumbrances) that are returned to the division due to program under-spending should be accounted for as follows:

- Reduce Revenue:
  - Report under Other Revenues row. The title should be "Return of Prior Year Proviso Dollars"
  - Report in the Other State Funds Column (Not SMHC column)
- Reduce Reserves

## COST ALLOCATION GUIDELINES

### Expenditure Distribution Method

RSNs must report the method used to distribute provider reported expenditures. The following are suggested expenditure distribution procedures. Report expenditures by fund source. (For questions, or to discuss other reasonably sound methodologies, contact Warren Grimm at [grimmwb@dshs.wa.gov](mailto:grimmwb@dshs.wa.gov) )

**Fee-For-Service Payment Method** For those RSNs who use the fee-for service payment method (and the provider reports total amount of expenses above what the RSNs actually paid) determine the RSNs actual cost by using a percentage. Beginning July 2007, you must *allocate* between direct service costs and provider administration costs based on the percentage of provider administrative costs to total costs.

Example of Fee-for Service Payment Distribution Method:

\$ 50,000 Amount RSN paid to provider for 500 hours of individual therapy to RSN clients

\$ 85,000 Actual Provider Expenses as reported by provider to RSN

\$ 15,000 Total Provider Administrative expenses (as reported by provider to RSN).

\$100,000 Total Expenses as reported by provider

\*Based on the provider's financial statement, the provider spends 15% on administrative expenses.

RSN would report \$42,500 in appropriate expenditure category

RSN would report \$7,500 in Provider Administration

**Block Grant, Capitation and Cost Reimbursement Method:** For those RSNs who pay block grant, capitation, and cost reimbursement method, the expenditures should be allocated among the **expenditure categories** based on provider spending.

Example of Block Grant/Capitation/Cost Reimbursement Method:

\$120,000 Amount RSN paid to provider in block grant funds

The provider spends \$105,000 as follows:

\$30,000 for Crisis Services

\$10,000 for Freestanding E&T

\$10,000 for Residential Treatment

\$50,000 for Other State Plan Outpatient Treatment

\$ 5,000 for administrative costs

Allocate \$120,000 as follows:

\$34,320 for Crisis Services (30,000/105,000=28.6%)

\$11,400 for Freestanding E&T (10,000/105,000=9.5%)

\$11,400 for Residential Treatment (10,000/105,000=9.5%)

\$57,120 for Other State Plan Outpatient Treatment (50,000/105,000=47.6%)

\$ 5,760 for administrative costs (5,000/105,000=4.8%)

### **Allocating by Category**

RSNs must disclose the method used to determine costs for direct service, direct support service and administrative costs (*category*).

The following examples may be used as a guideline to allocate costs by category. Other reasonably sound allocation methodologies may be acceptable. If you have questions regarding whether your allocation methodology is acceptable, please contact Warren Grimm, [grimmwb@dshs.wa.gov](mailto:grimmwb@dshs.wa.gov).

### **Guideline for allocation of costs between direct service, direct support service, and administrative cost categories.**

1. Staff Costs and Employee Benefit.
  - a. Direct Care Staff – all costs of direct care staff should be charged to the appropriate direct service costs.
  - b. Program Supervisors – all costs of supervisors of treatment program should be charged to the appropriate direct service costs.
  - c. Management Information System Staff – all costs associated with managing patient data system (including data entry personnel who enter client service information, staffs who prepare client records, and medical record staff) should be charged to Information Services (Direct Service Support Cost).
  - d. Management – management activities should be charged to Administrative Costs. These activities include meeting with local boards, agency-wide staff meetings, preparation and review of program plans and budgets, meetings with county officials, program reviews, facility planning, and any activities which do not involve direct supervision of treatment services.
  - e. Administrative staff – staff assigned to support treatment programs should be charged to Other Direct Service Support Costs. Examples are billing staffs, secretarial support of clinical staff, etc. Secretarial, general clerical staff, accounting staff, budget staff, contract staff should be reported as Administrative Costs.
2. Non-Personnel Cost
  - a. Facility Operations & Maintenance – the costs should be allocated based on square footage. Costs include rent, repair, maintenance, utilities, and janitorial services.
  - b. Telephone – the costs should be allocated to appropriate expenditure category based upon usage. If costs cannot be tracked by usage, allocation by FTEs or staff salaries is also acceptable.
  - c. Training/Travel – should be allocated based on the nature of the training/travel.
  - d. Insurance – should be allocated based upon the coverage. For example, professional liability insurance should be allocated to appropriated direct service categories.
  - e. Equipment – should be allocated by usage.
  - f. Vehicle – should be allocated by usage.
  - g. Professional Services – administrative professional services such as accounting, auditing, and legal should be charged to administrative costs. Clinical professional services such as psychiatric, clinical, treatment or program related should be charged to appropriate direct service cost centers.
  - h. Other – costs not specifically addressed above should be allocated by applying a reasonable measure of benefit or usage for that item.

## Allocating by Fund Source

RSNs must disclose the method used to determine costs for Medicaid and Non-Medicaid funding (*fund source*).

**Medicaid Expenditures.** Those expenditures that qualify for state plan and approved B(3) (i.e., Clubhouse, Supported Employment, and Respite Care) services **provided to Medicaid enrollees** on the Medicaid Revenue and Expenditure report.

**Non Medicaid Expenditures:** Those services (state plan and non-state plan) provided to **non-Medicaid clients or non-state plan services** provided to Medicaid enrollees report on the Non-Medicaid Revenue and Expenditure report.

The following examples may be used as a guideline to allocate costs by fund source. Other reasonably sound allocation methodologies may be acceptable. If you have questions regarding whether your allocation methodology is acceptable, please contact Warren Grimm, [grimmwb@dshs.wa.gov](mailto:grimmwb@dshs.wa.gov).

## Guideline for allocation of costs between Medicaid and Non-Medicaid expenditure fund sources.

1. Direct Service Costs - Direct Service Costs should be allocated between Medicaid and non Medicaid Revenue and Expenditure reports based on each category of service hours submitted to Mental Health Division. Mental Health Division publishes such data on the mental health intranet web site. If you do not have access to the intranet, please contact your RSN IT staff.
2. Direct Support Service – some direct support categories can be tracked separately (transportation services, Interpreter Services, Crisis Telephone). If such tracking is not possible, direct service hours may be used to allocate these costs.
3. Administrative Costs – if these costs can be tracked by activity (may be through time study), please do so. Think about the following activities, which are requirements for serving Medicaid enrollees, when tracking: EQRO, BBA requirement, grievance & fair hearing process, appeal process, notice of action. If these costs cannot be tracked per activity as stated above, then allocate them based on the direct service hours.

Total Amount Paid by RSN: \$100,000

Provider Reported:

\$60,000 for Crisis Services	\$60,000	(60,000/100,000 = 60%)
\$35,000 for Other State Plan Outpatient	\$35,000	(35,000/100,000 = 35%)
\$ 5,000 for Administrative costs	\$5,000	(5,000/100,000 = 5%)
	\$100,000	

Medicaid

Amount paid by RSN \$60,000

Allocate as follows:

\$36,000.0	60,000* 60%
\$21,000.0	60,000* 35%
\$3,000.0	60,000* 5%
\$60,000.0	

Non-Medicaid

Amount paid by RSN \$40,000

Allocate as follows

\$24,000.0	40,000* 60%
\$14,000.0	40,000* 35%
\$2,000.0	40,000* 5%
\$40,000.0	



## MEDICAID REVENUE AND EXPENDITURE REPORT

### Medicaid Revenue Section

Report by Funding Source (Column) and Type of Service/Program (Row). Report only those revenues associated with Medicaid Services.

#### Row 1 Revenues from MHD

*Heading Row: Funds received from Mental Health Division under the PIHP contract.*

#### Row 2 Medicaid (Integrated) Payment Method:

Include MHD revenue paid under the Medicaid (Integrated) contract (Initial and 6-month adjustment)

Do not reduce the Medicaid payment by either the month of service or month of payment utilization billings.

#### Row 3 B(3) Funds:

Include MHD revenue allocated specifically for b(3) services paid under the contract

#### Row 4 Additional Federal Medicaid

Federal portion account code 338. Report local match sent to MHD in appropriate row, local match column. Verify amount reported as match does not exceed allowable state participation rate.

#### Row 5 PACE/WMIP

Only those RSNs who have contracted with the Division should report revenue

#### Row 6 Other Revenues from MHD

Other revenues from MHD detailed in the PIHP contract.

#### Row 7 Future Use

#### Row 8 Future Use

#### Row 9 Revenues from Local Sources

*Heading Row: Group of funds received from local sources to match (draw down) Medicaid.*

*Report in the local match column. Local funds do not include donations. Report enough local funds to validate the local match for Additional Federal Medicaid) or Blended Funding submitted to the Division or Medicaid over-expenditure.*

#### Row 10 Maintenance of Effort

Report the local funds used to satisfy the maintenance of effort requirement in the local match or Local column. Report in the Medicaid R&E Report if you are using Local Match or Local Funds to satisfy the Maintenance of Effort requirement.

#### Row 11 Local Funds

You will need to report enough funds as Local Match to substantiate any qualifying local funds submitted to the Division. **Report local funds used for Medicaid over-expenditure in the Local funds column.**

#### Row 12 Other Local Funds

Report other local funds if used for Medicaid Match in the local match column and for Medicaid over-expenditure in the Local Funds column.

#### Row 13 Other Local Funds

Report other local fund detail here.

#### Row 14 Revenues from Other Sources

*Heading Row: Report revenues from sources other than the PIHP contract.*

#### Row 15 E&T (Provided by the RSN)

Report revenue the RSN received from operating an E&T facility in the local match column if used to draw down the Medicaid. Clients' sliding fee cannot be used as local match. Do not report Third party revenue.

#### Row 16 Interest

Revenue received from interest earned on Mental Health funds retained in the County or RSN. Report interest earned on mental health funds *if used as Medicaid match.*

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**Row 17 Other Revenues**

*Heading Row: Report revenue received on a **one-time basis**. Please describe the nature and source of this revenue in the Details column. Do not enter information in this row.*

**Row 18 Other Revenue**

Report other revenue detail here. Describe nature and source in Details Column, for example Revenue received from a governmental entity (**other than MHD**) pursuant to a contract or agreement, where the revenue is derived from the RSN performing Mental Health services. Report only those revenues received from government entities other than MHD *if used as Medicaid match*.

**Row 19 Other Revenue**

Report other revenue fund detail here. Describe nature and source in Details Column.

**Row 20 Other Revenue**

Report other revenue fund detail here. Describe nature and source in Details Column.

**Row 21 Other Revenue**

Report other revenue fund detail here. Describe nature and source in Details Column.

## Medicaid Expenditure Section

Refer to the Suggested Cost Allocation Guidelines for acceptable cost allocation methodologies. Report only those expenditures that qualify for state plan and approved B(3) (Clubhouse, Supported Employment, and Respite Care) services **provided to Medicaid enrollees**.

### Row 1 Direct Service Costs

*Heading Row: Costs paid by the RSNs for services and related activities provided to or for RSN service Medicaid recipients*

### Row 2 Outpatient Treatment (564.40)

Costs for services to eligible clients provided on an outpatient basis. Please refer to Mental Health Division BARS Supplemental for account definitions.

### Row 3 Crisis Services (564.41)

Include crisis response costs, County Designated Mental Health Professional costs (prior to commitment) if the CDMHP also provides crisis services.

### Row 4 Freestanding Evaluation and Treatment (564.42)

Should include costs of providing treatment in the non-IMD (Institution for Mental Disease) E&T facilities. Do not include room and board costs.

### Row 5 Mental Health Residential Treatment (564.43)

Should include costs of providing treatment in the residential setting. The costs should not include room and board, medical services, or custodial care. If the facility is an IMD, expenditures are reported on the Non-Medicaid Revenue and Expenditure Report.

### Row 6 Other State Plan Outpatient Treatment (564.44)

Should include costs of providing the approved state plan services not listed above, including crisis beds (stabilization services). For definitions of these treatment modalities, please consult the approved state plan.

### Row 7 B(3) Waiver Services (564.45)

Report Medicaid expenditures separately for each of the b(3) services provided for eligible clients only. (Refer to Page 31 for Description of b(3) Services)

### Row 8 Supported Employment

### Row 9 Clubhouse

### Row 10 Respite Care

### Row 11 Future Use

### Row 12 Future Use

### Row 13 Future Use

### Row 14 Future Use

### Row 15 Direct Service Costs (Exclude Outpatient)-564.20

*Heading Row: Do not enter information in this row.*

### Row 16 Inpatient Treatment (564.24)

*Heading Row: Claims for inpatient care processed through MMIS (Medicaid Management System). Do not enter information in this row.*

### Row 17 Inpatient (month of payment )-564.24

. Report hospital claims after month of service September 2006.

### Row 18 Other Direct Costs (564.27)

*Heading Row: Do not enter information in this row.*

### Row 19 Other Direct Costs Detail

### Row 20 Other Direct Costs Detail

Detail other direct costs here. Describe nature and source in Details Column

### Row 21 Other Direct Costs Detail

Detail other direct costs here. Describe nature and source in Details Column .

**Row 22 Direct Service Costs Program/Pilot (564.50)**

*Heading Row: Legislatively mandated Mental Health Program/Pilots. There are no Medicaid reportable program/pilots at this time.*

**Row 23 Future Use**

**Row 24 Future Use**

**Row 25 Future Use**

**Row 26 Direct Service Support Costs (564.30)**

*Heading Row: Program costs incurred in the process of providing services and activities for clients. Direct services support costs do not include costs for services directly provided to clients.*

**Row 27 Utilization Management and Quality Assurance (564.31)**

Include costs to ensure the adequate quality care including costs of utilization management, utilization review, costs to implement access to care standard, etc.

**Row 28 Information Services (564.32)**

Include costs of implementing and maintaining information system including patient tracking system, medical record staff, data lines, information system staff, and computer equipments.

**Row 29 Public Education (564.33)**

Include costs for consultation, education, and public information.

**Row 30 Crisis Telephone (564.35)**

Include costs of operating 24 hour crisis hotline.

**Row 31 Transportation (564.36)**

Include costs for providing transportation to clients to receive medical services including bus fare to see psychiatrist, case worker drive client to a doctor appointment, etc.

**Row 32 Interpreter Service (564.37)**

Include costs of providing interpreter services to clients during sessions.

**Row 33 Ombudsman (564.38)**

Include costs to provide an independent ombudsman service.

**Row 34 Other Direct Services Support Costs (564.34)**

*Heading Row: Do not enter information into this row. Detail costs that do not fit any categories above. Explanations must be given in the Detail column.*

**Row 35 Other Direct Services Support Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 36 Other Direct Services Support Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 37 Other Direct Services Support Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 38 Other Direct Services Support Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 39 Other Direct Services Support Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 40 Administrative Costs (564.10)**

*Heading Row: Include only those costs of operating the RSN.*

~ Direct Care Staff should be charged to the appropriate direct service costs

~ Treatment Program Supervisors should be charged to the appropriate direct service costs.

~ Management Information System Staff (costs associated with managing patient data system) should be charged to Information Services (Direct Service Support Cost).

**Row 41 RSN Administration (564.11)**

Include only those costs of operating the RSN. Activities include planning, coordination, contracting, fiscal and contract monitoring, accounting, general clerical support, legal, facility and similar operating costs. It should also include costs allocated to the RSN from counties. Include E&T Administrative costs.

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**Row 42 Provider Administration (564.12)**

Costs for general operation of direct service agencies in support of mental health service delivery. Includes costs for program management, accounting, record keeping, general clerical support and similar costs. Costs for administering county operated direct service agencies should be charged to this cost center. Do **not** report total provider administrative costs; only report the costs associated with RSN's business.

**Row 43 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 44 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 45 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 46 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 47 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

## Medicaid Reserves and Fund Balances

**Fund Balance:** The RSN should report *current* fund balances (the final date of the R&E reporting period.) The fund balance should reflect reserves and fund balances held at the RSN—not held at the providers. Report only capitation (Medicaid) reserves and fund balances.

**Operating Reserve:** Funds set aside into an account by official action of the governing body. Operating reserve funds may only be set aside to maintain adequate cash flow for the provision of mental health services.

**Risk Reserve:** Risk reserves are actuarially determined (a percent of annual Medicaid premium payment.) If the amount of risk reserve is short of the contract required amount, the RSN may use excess Medicaid fund balances (operating, encumbrance, unreserved (unobligated). However, the transfer of these funds must be booked and approved by the governing board prior to the end of the state fiscal year **June 2009**)

**Inpatient Reserve:** Inpatient reserves are actuarially determined (a percent of annual Medicaid premium payment.) Inpatient reserve funds may only be set aside for anticipated psychiatric inpatient cost.

**Encumbrance:** Amount to pay for a future service or litigation at year end if prior year appropriation authority if spending is carried forward.

Use encumbrance reserve :

- at year end if prior year appropriation authority is being carried forward to pay for a future service
- for estimated and/or known Litigation amounts

Do not use encumbrance reserve:

- if service has been provided and not yet paid for. This is considered an accrual.
- for routine contracts – This amount is expected to be paid from current revenue.
- for contracts to be paid from future revenues

**Unobligated Mental Health Fund Balance (Unreserved):** Funds designated from mental health revenue sources that have not been spent in the fiscal period they were received. These funds have not been set aside into a specific reserve account by official action of the RSN governing body, but they may be identified by the RSN for a specific use.

**Row 1    Operating Reserve**

Refer to your contract for allowable Operating Reserve percentage.

**Row 2    Enter Operating Reserve amount in this row**

**Row 3    Risk Reserve**

Refer to your contract for required Risk Reserve percentage.

**Row 4    Enter Risk Reserve amount in this row**

**Row 5    Inpatient Reserve**

Refer to your contract for required Inpatient Reserve percentage.

**Row 6    Enter Inpatient Reserve amount in this row**

**Row 7    Reserve for Encumbrances**

Examples are executory (unperformed) contracts, outstanding purchase orders, and funds set aside pending litigation outcome.

**Row 8    Enter Reserve for Encumbrances in this row**

**Row 9    Unreserved (Unobligated) Mental Health Fund Balance**

RSN is not required to have unobligated reserve.

**Row 10    Enter Unreserved (Unobligated) Mental Health Fund Balance in this row.**

## Medicaid Reserves Reconciliation

### Row 1 Prior Period ending reserve balance

Enter in the ending balance from the previous quarter.

### Row 2 Current period Revenue less Expenses is a calculated cell

If the difference is a positive amount current period reserves should increase. If the difference is a negative amount, current period reserves typically decrease.

### Row 3 Expected ending reserve/fund balance is calculated cell

### Row 4 Difference of expected *Reserve Balance* to reported is a calculated cell

### Row 5 RSN Explanation for difference in Expected to Reported

Please provide an explanation for the difference

## Administrative and Reserve Percentage Calculations (PIHP)

ADMINISTRATION: The Contractor is required to limit Administration costs to no more than 10 percent of the annual revenue supporting the public mental health system. Calculation:

Total Medicaid Expenditure	divided by	Total -Medicaid Revenue
(includes Local Match and Local)		(Includes Local Match and Local)

OPERATING RESERVE: The Contractor may have an Operating Reserve to maintain adequate cash flow for the provision of mental health services. Refer to your contract for required percentage.

Operating Reserve (annual amount)	<u>divided by</u>	Medicaid Revenue	<i>multiplied by</i>	number of months in
		(Includes Local Match and Local)		reporting period

RISK RESERVE: The Contractor must maintain risk reserves the event costs of providing service exceed the revenue the RSN receives. Refer to your contract for required percentage.

Risk Reserve (annual amount)	<u>divided by</u>	Medicaid Revenue	<i>multiplied by</i>	number of months in
		(Includes Local Match and Local)		reporting period

INPATIENT RESERVE: The Contractor must ensure the existence of inpatient reserve for anticipated psychiatric inpatient costs. Refer to your contract for required percentage.

Inpatient Reserve (annual amount)	<u>divided by</u>	Medicaid Revenue	<i>multiplied by</i>	number of months in
		(Includes Local Match and Local )		reporting period

## NON-MEDICAID REVENUE AND EXPENDITURE REPORT

### Non-Medicaid Revenue Section

Report by Funding Source (Column) and Type of Service/Program (Row). Report only those revenues associated with Non-Medicaid Services.

#### Row 1 Revenues from MHD

*Heading Row: Funds received from Mental Health Division under the State Mental Health Contract (SMHC)*

#### Row 2 Medicaid (Integrated) Payment Method:

Include MHD revenue paid under the Non-Medicaid(Integrated) contract.  
Do not reduce the Non-Medicaid payment by the month of payment utilization billings.

#### Row 3 Jail Services

Report revenue received from MHD for the Jail Service portion of the Non-Medicaid contract and should be reported in the *Non-Medicaid Funds* (account code 334) column.

#### Row 4 Crisis Integrated System Pilot Project

Report the revenue received from MHD for the Crisis program portion of the Non-Medicaid Contract.

#### Row 5 PACE/WMIP

Report revenue for those who have a contract with the Division and should be reported in the *Non-Medicaid Funds* (account code 334) column.

#### Row 6 Expanded Community Services (ECS)

Report revenue received from MHD for the Expanded Community Service portion of the Non-Medicaid contract and should be reported in the *Non-Medicaid Funds* (account code 334) column.

#### Row 7 Program For Active Community Treatment (PACT)

Report revenue received from MHD for the PACT portion of the Non-Medicaid contract and should be reported in the *Non-Medicaid Funds* (account code 334) column.

#### Row 8 Hospital Reimbursement

Report revenue received from MHD for the Hospital Reimbursement portion of the Non-Medicaid contract and should be reported in the *Non-Medicaid Funds* (account code 334) column. *Report any billings for this program as expenditure.*

#### Row 9 Program for Adaptive Living Skills (PALS) Alternatives

Report revenue received from MHD for the PALS portion of the Non-Medicaid contract and should be reported in the *Non-Medicaid Funds* (account code 334) column. *Report any billings for this program as expenditure.*

#### Row 10 Other Revenues from MHD

Report other revenue here. Describe nature and source in Details Column.

#### Row 11 Other Revenues from MHD

Report other revenue here. Describe nature and source in Details Column.

#### Row 12 Revenues from Local Sources

Report as either Local or Local Match. Report as Local Match if these funds are being used as Non-Medicaid match (e.g. PATH).

#### Row 13 Other Local Funds

Report local funds used for Non-Medicaid services other than those used to satisfy the maintenance of effort requirement. Report as either Local or Local Match if these funds are being used as match (e.g. PATH). **Note:** You will need to report enough funds in the column Local Match Funds to substantiate the local match certifications submitted to the Division (PATH). *Do not report local funds used to cover Medicaid over-expenditures or Medicaid match.*

#### Row 14 Other Local Funds

Report other local fund detail here

#### Row 15 Other Local Funds

Report other local fund detail here.



**Row 16 Revenues from Other Sources**

*Heading Row: Report revenues from sources other than the SMHC. Examples include Federal Grants from MHD (Federal Block Grant. PATH), CIAP, and other direct federal grants.*

**Row 17 E&T (Provided by the RSN)**

Report revenue the RSN received from operating an E&T. Report as either Local or Local Match if these funds are being used as match for a non-Medicaid Service (e.g. PATH). Clients' sliding fee cannot be used as local match.

**Row 18 Intergovernmental**

Revenue received from a governmental entity (**other than MHD**) pursuant to a contract or agreement, where the revenue is derived from the RSN performing Mental Health services. Report as either Local or Local Match if these funds are being used as match for a non-Medicaid Service (e.g. PATH).

**Row 19 Interest**

Revenue received from interest earned on Mental Health funds retained in the County or RSN. Report interest earned on mental health. Interest can be recorded in a locally designated sub element. Report as either Local or Local Match if these funds are being used as match for a non-Medicaid Service (e.g. PATH).

**Row 20 Direct Mental Health Federal Grants**

Report funds received **directly from federal sources** (not from the State of Washington) it should be reported in the *Other Federal Funds* column.

**Row 21 Other Federal Grants (from MHD)**

Report federal grants **received from the State**. This includes funds received for Project for Assistance in Transition from Homeless (PATH), and other grants targeted to support mental health services.

**Row 22 Federal Mental Health Block Grant**

Report the Federal Block Grant received from MHD. It should be reported in the FBG/PATH Funds column.

**Row 23 Other State Grants**

Report other funds received from the State. This includes funds received for CIAP and other grants targeted to support mental health services. It should be reported in the Other State Funds column.

**Row 24 Other Revenues**

*Heading Row: Do not report information in this row. Report small revenue or revenue received on a **one-time basis**. Examples include DDD Stabilization if corresponding expenditures are reported, one-time payment of Liquidated Damages per SMHC contract. Describe the nature and source of this revenue in the Details column.*

**Row 25 Other Revenues**

Detail other revenue here. Describe nature and source in Details Column

**Row 26 Other Revenues**

Detail other revenue here. Describe nature and source in Details Column

**Row 27 Other Revenues**

Detail other revenue here. Describe nature and source in Details Column

**Row 28 Other Revenues**

Detail other revenue here here. Describe nature and source in Details Column

## Non-Medicaid Expenditure Section

Refer to the Suggested *Cost Allocation Guidelines* (attached) for acceptable cost allocation methodologies. Report expenditures that qualify for state plan and approved B(3) (i.e., Clubhouse, Supported Employment, and Respite Care) services, and other services provided to **provided to Non-Medicaid enrollees**.

### Row 1 Direct Service Costs

*Heading Row: Costs paid by the RSNs for services and related activities provided to or for RSN service Non-Medicaid recipients*

### Row 2 Outpatient Treatment (564.40)

*Heading Row: Costs for services to eligible clients provided on an outpatient basis. Please refer to Mental Health Division BARS Supplemental for account definitions.*

### Row 3 Crisis Services (564.41)

Include crisis response costs, County Designated Mental Health Professional costs (prior to commitment) if the CDMHP also provides crisis services.

### Row 4 Freestanding Evaluation and Treatment (564.42)

Freestanding Evaluation and Treatment (564.42) should include costs of providing treatment in the non-IMD (Institution for Mental Disease) E&T facilities (not including room and board costs). If your E&T facility is an IMD (Institution for Mental Disease), the expenditures need to be reported under Inpatient Treatment.

### Row 5 Mental Health Residential Treatment (564.43)

Include costs of providing treatment in the residential setting. The costs should not include room and board, medical services, or custodial care. If the facility is an IMD, the expenditures are reported under Other Direct Service Costs – Residential.

### Row 6 Other State Plan Outpatient Treatment (564.44)

Should include costs of providing the approved state plan services not listed above, including crisis beds (stabilization services). For definitions of these treatment modalities, please consult the approved state plan.

### Row 7 B(3) Waiver Services (564.45)

Include costs of providing Supported Employment, Respite Care, and Clubhouse.

### Row 8 Other Outpatient (564.46)

*Heading Row: Do not report information in this row. Report costs of providing treatment modalities other than the approved state plan modalities in following rows.*

### Row 9 Other Outpatient

### Row 10 Other Outpatient

### Row 11 Other Outpatient

### Row 12 Direct Service Costs (Exclude Outpatient)-564.20

*Heading Row: Do not report information in this row.*

### Row 13 Residential (564.22)

Report costs for placement at residential facilities and any non-facility residential support costs consistent with WAC 388-865-0235. It should **not** include the treatment costs reported in the Outpatient Services. Examples of costs that should be reported here are room & board costs paid by RSNs, treatment costs at Institute of Mental Disease (IMD) facilities.

### Row 14 Inpatient Treatment (564.24)

*Heading Row: Claims for inpatient care processed through MMIS (Medicaid Management System)*

### Row 15 E&T (IMDs)-564.22

Report costs of providing services at the E&T facilities which are classified as IMDs.

### Row 16 Inpatient (month of payment)-564.24

Report hospital claims after month of Service September 2006.

### Row 17 State Hospital Reimbursement (WSH/ESH)

Report the amount determined for under or over utilization of Western State Hospital/Eastern State Hospital beds per the contract during the reporting period in the Non Medicaid column. Report only those amounts billed by the division.

**Row 18 ITA Commitment Services (564.25)**

Report costs of CDMHP and other associated costs *excluding* judicial costs. CDMHP costs reported here can be either the whole amount (if CDMHP only does commitment services) or costs after detention (if CDMHP also responds to crisis services). Report DDD stabilization if these costs are related to involuntary commitments, other report in Other Direct Service Support Costs.

**Row 19 ITA Judicial (564.26)**

Report court costs for detaining clients. These costs include attorney fees, court commissioner, court clerk, petition fees, etc. These costs should be reported in the Non Medicaid column.

**Row 20 Medicaid Personal Care (564.28)**

Report state funds the RSNs pay to Aging and Adult Services Administrator to provide Medicaid personal care services to clients.

**Row 21 Other Direct Costs (564.27)**

*Heading Row: Do not report information in this row.*

**Row 22 Other Direct Costs Detail**

Detail other direct costs here. Describe nature and source in Details Column

**Row 23 Other Direct Costs Detail**

Detail other direct costs here. Describe nature and source in Details Column .

**Row 24 Other Direct Costs Detail**

Detail other direct costs here. Describe nature and source in Details Column .

**Row 25 Other Direct Costs Detail**

Detail other direct costs here. Describe nature and source in Details Column .

**Row 26 Direct Service Costs Program/Pilot (564.50)**

*Heading Row: Do not report information in this row. Legislatively mandated Mental Health Program/Pilots.*

**Row 27 Jail Services (564.51)**

Report costs to provide Mental Health Services for mentally ill offenders while confined to a county or city jail. Report in the Non-Medicaid column. Jail Services Administrative costs may be detailed in Other Administrative Costs.

**Row 28 Expanded Community Services (ECS) (564.52)**

Report costs used for state plan and approved (b)(3) services in the appropriate Row in the Non-Medicaid Funds Column, report costs that do not qualify for state plan and approved (b)(3) services in this row.

**Row 29 Program for Active Community Treatment (PACT) (564.53)**

Report costs related to operation of high-intensity programs for active community treatment teams. Report costs related to *development* of high-intensity programs for active community treatment teams in Other Administrative Costs.

**Row 30 Program for Adaptive Living Skill (PALS) Alternatives (5654.55)**

Report costs related to development of community services as alternatives to placing consumers in PALS in this row. Report only the amounts reflected in billings from the division.

**Row 31 Crisis Integrated System Program (564.56)**

Report costs associated with providing judicial service and transportation for people detained or commitment to the Crisis Integrated Pilot sites under RCW 70.96B services in this row.

**Row 32 Community Integration Assistance Program (CIAP) (564.57)**

Report costs associated with providing services under the CIAP (formerly Dangerously Mentally Ill Offender DMIO) in this row.

**Row 33 Project for Assistance in Transition for Homeless (PATH) (564.58)**

Report costs associated with providing services under the PATH contract in this row; report Local Match in Local Match Columns; insert comment if in-kind is used in place of local funds.

**Row 34 Federal Block Grant (564.54)**

Report costs used for state plan and approved (b)(3) services in the appropriate row in the FBG Funds Columns, report costs that do not qualify for state plan and approved (b)(3) services in this row.

**Row 35 Other Direct Costs**

*Heading Row: Do not report information in this row.*

**Row 36 Other Direct Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 37 Other Direct Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 38 Other Direct Costs**

Report other costs detail here. Describe nature and source in Details Column

**Row 39 Direct Service Support Costs (564.30)**

*Heading Row: Program costs incurred in the process of providing services and activities for clients. Direct services support costs do not include costs for services directly provided to clients.*

**Row 40 Utilization Management and Quality Assurance (564.31)**

Include costs to ensure the adequate quality care including costs of utilization management, utilization review, costs to implement access to care standard, etc.

**Row 41 Information Services (564.32)**

Include costs of implementing and maintaining information system including patient tracking system, medical record staff, data lines, information system staff, and computer equipments.

**Row 42 Public Education (564.33)**

Include costs for consultation, education, and public information.

**Row 43 Crisis Telephone (564.35)**

Include costs of operating 24 hour crisis hotline.

**Row 44 Transportation (564.36)**

Include costs for providing transportation to clients to receive medical services including bus fare to see psychiatrist, case worker drive client to a doctor appointment, etc.

**Row 45 Interpreter Service (564.37)**

Include costs of providing interpreter services to clients during sessions.

**Row 46 Ombudsman (564.38)**

Include costs to provide an independent ombudsman service.

**Row 47 Other Direct Service Support Costs (564.34)**

*Heading Row: Do not report information in this row. Detail in following rows other direct services support costs that do not fit any categories above. Report DDD stabilization if these costs are not related to involuntary commitments.*

**Row 48 Other Direct Services Support Costs**

Report other direct services support costs here. Describe nature and source in Details Column

**Row 49 Other Direct Services Support Costs**

Report other direct services support costs here. Describe nature and source in Details Column

**Row 50 Other Direct Services Support Costs**

Report other direct services support costs here. Describe nature and source in Details Column

**Row 51 Other Direct Services Support Costs**

Report other direct services support costs here. Describe nature and source in Details Column

**Row 52 Other Direct Services Support Costs**

Report other direct services support costs here. Describe nature and source in Details Column

**Row 53 Administrative Costs (564.10)**

*Heading Row: Include only those costs of operating the RSN.*

~ Direct Care Staff should be charged to the appropriate direct service costs

~ Treatment Program Supervisors should be charge to the appropriate direct service costs.

~ Management Information System Staff (costs associated with managing patient data system) should be charged to Information Services (Direct Service Support Cost).

**Row 54 RSN Administration (564.11)**

Include only those costs of operating the RSN. Activities include planning, coordination, contracting, fiscal and contract monitoring, accounting, general clerical support, legal, facility and similar operating costs including administrative costs of operating E&T's. It should also include costs allocated to the RSN from counties.

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**Row 55 Provider Administration (564.12)**

Costs for general operation of direct service agencies in support of mental health service delivery. Includes costs for program management, accounting, record keeping, general clerical support and similar costs. Costs for administering county operated direct service agencies should be charged to this cost center. Do **not** report total provider administrative costs; only report the costs associated with RSN's business.

**Row 56 Other Administrative Costs (564.13)**

Report costs that do not fit in any other category. **Detail Jail Services and PACT administrative costs on separate lines.** Describe nature and source in Details Column

**Row 57 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 58 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

**Row 59 Other Administrative Costs (564.13)**

Costs that do not fit in any other category. Describe nature and source in Details Column

## Non-Medicaid Reserves and Fund Balances

Fund Balance Instructions: The RSN should report *current* fund balances (the final date of the R&E reporting period.) The fund balance should reflect reserves and fund balances held at the RSN—not held at the providers. Report by fund source (State, Other).

Operating Reserve: Funds set aside into an account by official action of the governing body. Operating reserve funds may only be set aside to maintain adequate cash flow for the provision of mental health services.

Capital Reserve: Funds designated from mental health revenue sources that are set aside into a capital reserve account by official action of the RSN governing body. Capital reserve funds may only be set aside for the construction, purchase or remodel of a building or major asset.

Inpatient Reserve: Inpatient reserves are actuarially determined (a percent of annual Medicaid premium payment.) Inpatient reserve funds may only be set aside for anticipated psychiatric inpatient cost.

Encumbrance: Amount to pay for a future service or litigation at year end if prior year appropriation authority if spending is carried forward. Specific state legislative program/pilot (proviso's, e.g. ECS, PACT, Jail Services) funds which have been identified as under-spent should be held in this reserve for potential repayment.

Unobligated Mental Health Fund Balance (Unreserved): Funds designated from mental health revenue sources that have not been spent in the fiscal period they were received. These funds have not been set aside into a specific reserve account by official action of the RSN governing body, but they may be identified by the RSN for a specific use.

### Row 1 Operating Reserve

Refer to your contract for allowable Operating Reserve percentage.

Row 2 Enter State Operating Reserve amount in this row

Row 3 Enter Other Operating Reserve amount in this row.

### Row 4 Capital Reserve

Row 5 Enter State Capital Reserve amount in this row

Row 6 Enter Other Capital Reserve amount in this row

### Row 7 Inpatient Reserve

Inpatient reserves are a percent of annual Non-Medicaid premium payment Refer to your contract for required Inpatient Reserve percentage.

Row 8 Enter State Inpatient Reserve amount in this row

Row 9 Enter Other Inpatient Reserve amount in this row

### Row 10 Reserve for Encumbrances

There is no contractual requirement for this reserve account.

Row 11 Enter State Reserve for Encumbrances in this row

Row 12 Enter Other Reserve for Encumbrances in this row

### Row 13 Unreserved (Unobligated) Mental Health Fund Balance

There is no contractual requirement for this reserve account.

Row 14 Enter State Unreserved (Unobligated) Mental Health Fund Balance in this row.

Row 15 Enter Other Unreserved (Unobligated) Mental Health Fund Balance in this row

## Non-Medicaid Reserves Reconciliation

- Row 1** **Prior Period ending reserve balance**  
Enter in the ending balance from the previous quarter
- Row 2** Current period Revenue less expenses is a calculated cell
- Row 3** Expected ending reserve/fund balance is calculated cell
- Row 4** Difference of expected to reported is a calculated cell
- Row 5** **RSN Explanation for difference in Expected to Reported**  
Please provide an explanation for the difference

## Administrative and Reserve Percentage Calculations (SMHC)

ADMINISTRATION: The Contractor is required to limit Administration costs to no more than 10 percent of the annual revenue supporting the public mental health system (RCW 24.330):

All Non-Medicaid Expenditure divided by All Non-Medicaid Revenue

INPATIENT RESERVE: The Contractor must ensure the existence of inpatient reserve for anticipated psychiatric inpatient costs. Refer to your contract for required percentage.

Inpatient Reserve (annual amount) divided by SMHC Non-Medicaid Revenue *multiplied by* # of months  
in reporting period

OPERATING RESERVE: The Contractor may have an Operating Reserve to maintain adequate cash flow for the provision of mental health services. Refer to your contract for required percentage.

Operating Reserve (annual amount) divided by SMHC Non-Medicaid Revenue *multiplied by* # of months  
in reporting period

## 1915 (b)(3) SAVINGS

### Definitions

Section 1915 (b) (3) Services: Medicaid payment for services not covered under the state (Medicaid) plan but approved through the waiver process.

B(3) Savings: The savings as a result of providing 1915(b)(3) services. (More cost effective medical care.)

### Calculation

	<b>Medicaid Revenue</b>	
		includes funds used as Medicaid Match
<i>Less</i>	<b>Medicaid Expenditures</b>	
		Excludes Funds spent on (b) (3) Services
		Includes change in Operating Reserves
		Includes change in Risk Reserves
		Includes change in Inpatient Reserves
		Includes change in Encumbrance Reserves
<i>Equals</i>	<b>Gross Medicaid Savings as a result of providing (b) (3) services</b>	
<i>Less</i>	<b>(b)(3) Expenditures</b>	
<i>Equals</i>	<b>Medicaid Savings</b>	

A positive number reflects Medicaid savings.

### Notes

The existence of savings in the system may make future approval of rates problematic, as CMS may argue that Medicaid rates paid are too high and should be lowered to be more reflective of actual expenditures. MHD will ask those RSNs with Medicaid savings for a plan on how they intend to increase spending on approved (b)(3) services.

Once all existing (b)(3) services are operational, *if savings still exist* (based on proposed RSNs' plans), MHD will seek approval for additional 1915(b)(3) services.

Unreserved fund balances are not included in the calculation because there are not obligated and not required under the PHIP contract.



## THIRD PARTY REVENUE AND EXPENDITURE REPORT

### Revenue Section

Third Party Revenue report is used to report revenue received from Medicare, insurance companies, and directly from clients for services rendered.. Expenditures related to collected third party revenue should not be included in neither the Medicaid nor the Non-Medicaid report.

**Row 1 Revenues from Federal Sources**

*Heading Row: Federal Funds directly received from sources other than the Mental Health Division that have not been previously reported.*

**Row 2 Direct Mental Health Federal Grants:**

Include federal grants directly received from sources other than the Mental Health Division. Do not include any federal grants reported in the Medicaid or Non-Medicaid report.

**Row 3 Other**

**Row 4 Other**

**Row 5 Revenues from Insurance**

*Heading Row: report funds received from third party insurance.*

**Row 6 Medicare**

**Row 7 Insurance Companies**

**Row 8 RSN Payments**

Report payments received from other RSNs for E&T Services

**Row 9 Other Payments**

**Row 10 Other Payments**

**Row 11 Revenue from Clients**

*Heading Row: Report funds received from clients for sliding scale fees here.*

**Row 12 Client Payments**

**Row 13 Other Client Payments**

**Row 14 Other Client Payments**

**Row 15 Revenues form Other (Detail in notes)**

*Heading Row:*

**Row 16 Revenues from Other**

**Row 17 Revenues from Other**

**Row 18 Revenues from Other**

## **CERTIFICATIONS**

### **General Instructions**

Certifications and reports are due within 45 days of the quarter end (September, December, March and June of each year).

### **Contact Information**

Submit signed form to:

Mental Health Division Deliverables  
HRSA/MHD Division  
PO BOX 45320  
Olympia, WA 98504

Submit electronic form to:

[DSHSMHDDeliverables@dshs.wa.gov](mailto:DSHSMHDDeliverables@dshs.wa.gov)



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Mental Health Division  
P.O. Box 45320, Olympia, Washington 98504

**Revenue and Expenditure Report Certification Form**  
**Revenue and Expenditure Report Assurance**  
**Administration Costs Limitation Certification**  
**Third Party Certification**

**RSN/PHP:** \_\_\_\_\_

- |                          |                               |
|--------------------------|-------------------------------|
| <input type="checkbox"/> | <b>July – September 2008</b>  |
| <input type="checkbox"/> | <b>October -December 2008</b> |
| <input type="checkbox"/> | <b>January to March 2009</b>  |
| <input type="checkbox"/> | <b>April-June 2009</b>        |

*I have reviewed this report and certify that to the best of my knowledge it is both complete and accurate.*

*Signed By:* \_\_\_\_\_

*Date:* \_\_\_\_\_

**Revenue and Expenditure Report Assurances:**

- ☐ Check here if you assure that no payments were made directly or indirectly to physicians or other persons as inducements to limit services to recipients.
- ☐ Check here to indicate that the attached reports are your best estimate due to county books not being officially closed.
- ☐ Check here if your Board approved all transactions to your Reserve Account(s) reported this period.

**Administrative Cost Certification**

- ☐ Check here to certify that for the time period checked above that the RSN administrative costs incurred are no more than 10% of the annual revenue.

Submit signed form to:

MHD Deliverables  
HRSA/MHD Division  
PO BOX 45320  
Olympia, WA 98504

This form may be submitted electronically to:

[DSHSmhdDeliverables@dshs.wa.gov](mailto:DSHSmhdDeliverables@dshs.wa.gov)



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Mental Health Division  
P.O. Box 45320, Olympia, Washington 98504

**Federally Qualified Health Center (FQHC) Certification Form**

During the time period of \_\_\_\_\_, \_\_\_\_\_  
(Time Frame) (Name of RSN)

contracted with and paid the following funds to FQHC's:

	Medicaid Funds	State Only Funds	Federal Block Grant
_____ (Name of FQHC)	_____ (Dollar Amount)	_____ (Dollar Amount)	_____ (Dollar Amount)
_____ (Name of FQHC)	_____ (Dollar Amount)	_____ (Dollar Amount)	_____ (Dollar Amount)
_____ (Name of FQHC)	_____ (Dollar Amount)	_____ (Dollar Amount)	_____ (Dollar Amount)
_____ (Name of FQHC)	_____ (Dollar Amount)	_____ (Dollar Amount)	_____ (Dollar Amount)
_____ (Name of FQHC)	_____ (Dollar Amount)	_____ (Dollar Amount)	_____ (Dollar Amount)

\_\_\_\_\_  
(Signature)

Submit signed form to:  
MHD Deliverables  
HRSA/MHD Division  
PO BOX 45320  
Olympia, WA 98504

This form may be submitted electronically to:

**DSHSMHDDeliverables@dshs.wa.gov**

## MISCELLANEOUS INFORMATION

### Links

BARS Supplemental (for Mental Health) -  
<http://www.sao.wa.gov/LocalGovernment/BARS/Index.htm>  
FMAP Rates  
<http://aspe.hhs.gov/health/fmap.htm>

### Downloadable Reports

Website: (select Facilities tab, RSN tab, RSN Contract Info tab, )  
Revenue and Expenditure Report Template  
Revenue and Expenditure Instructions  
Revenue and Expenditure Certification Template  
FQHRC Certification Template

### Intranet Ad-hoc Reports

Payment Document  
Community Hospital Utilization 18 Mo Historical  
Community Hospital Utilization 18-Month Report  
Community Hospital Utilization MOP Historical  
Community Hospital Utilization MOP Report  
Hospital Reimbursement

### Mental Health Contacts

Payment Document:  
Wendy Lerch, 360-902-0833, [lerchws@dshs.wa.gov](mailto:lerchws@dshs.wa.gov)  
Revenue and Expenditure Report:  
Jan Hentze, 360-902-8471, [hentzej1@dshs.wa.gov](mailto:hentzej1@dshs.wa.gov)  
Cost Allocation Guidelines:  
Warren Grimm, 360-902-0828, [grimmwb@dshs.wa.gov](mailto:grimmwb@dshs.wa.gov)  
Deliverables  
Website: (select Facilities tab, RSN tab, RSN Contract Info tab) or  
[DSHSMHDDeliverables@dshs.wa.gov](mailto:DSHSMHDDeliverables@dshs.wa.gov)

Mental Health Division  
Revenue and Expenditure Report Instructions

## Maintenance of Effort Table

FINAL FY89-91 INVOLUNTARY TREATMENT ADMINISTRATION ALLOCATIONS						
COUNTY	HOLD HARMLESS AMOUNT (85-87 AWARD)	W/MINIMUM AWARD	FINAL 89-91 ITA ALLOCATION	89-91 MAINTENANCE OF EFFORT	HARPER ALLOCATION	TOTAL ITA/ HARPER ALLOCATION
Adams	22,814	58,576	58,576	1,338	0	58,576
Asotin	40,663	62,475	62,475	5,732	88	62,563
Benton- Franklin	130,838	415,991	415,991	57,336	4,191	420,181
Chelan- Douglas	79,183	311,626	311,626	19,875	0	311,626
Clallam	150,405	186,600	186,600	9,555	926	187,526
Clark	362,518	663,818	663,818	40,899	1,015	664,833
Columbia	10,596	30,000	30,000	568	88	30,088
Cowlitz	117,878	288,489	288,489	16,069	4,191	292,679
Ferry	6,143	30,000	30,000	3,397	0	30,000
Garfield	9,313	30,000	30,000	0	0	30,000
Grant	137,481	216,241	216,241	17,742	573	216,814
Grays Harbor	204,819	217,792	217,792	5,555	0	217,792
Island	100,302	107,389	107,389	11,466	176	107,566
Jefferson	48,822	50,768	50,768	9,239	44	50,812
King	4,109,411	5,097,861	5,097,861	764,487	125,629	5,223,489
Kitsap	425,515	570,072	570,072	12,669	12,263	582,335
Kittitas	76,572	75,182	76,572	14,290	485	77,057
Klickitat	31,554	43,248	43,248	952	0	43,248
Lewis	175,318	193,558	193,558	22,166	970	194,529
Lincoln	6,093	34,750	34,750	5,346	353	35,103
Okanogan	75,436	115,044	115,044	8,874	0	115,044
Pacific	18,147	43,607	43,607	0	132	43,739
Pend Oreille	4,507	30,000	30,000	0	44	30,044
Pierce	1,379,213	3,435,330	3,435,330	373,198	252,492	3,687,823
San Juan	24,772	30,000	30,000	0	221	30,221
Skagit	170,025	248,543	248,543	11,605	882	249,425
Skamania	14,716	30,000	30,000	3,056	309	30,309
Snohomish	320,844	1,353,565	1,353,565	35,163	6,176	1,359,740
Spokane	1,236,709	1,638,075	1,638,075	204,745	62,241	1,700,316
Stevens	49,978	147,990	147,990	4,297	0	147,990
Thurston- Mason	261,653	495,750	495,750	21,715	5,514	501,264
Wahkiakum	10,000	30,000	30,000	0	0	30,000
Walla Walla	184,868	207,434	207,434	34,401	1,853	209,287
Whatcom	215,346	421,440	421,440	21,715	6,440	427,880
Whitman	82,389	89,367	89,367	4,888	0	89,367
Yakima	222,659	835,887	835,887	112,872	12,704	848,591
	10,517,500	17,836,468	17,837,858	1,855,210	500,000	18,337,857

### **1915 (b) (3) Description of Services**

Supported employment is a service for Medicaid enrollees who are not currently receiving federally funded vocational services such as those provided through the Department of Vocational Rehabilitation. Services will include:

- a. An assessment of work history, skills, training, education, and personal career goals.
- b. Information about how employment will affect income and benefits the consumer is receiving because of their disability.
- c. Preparation skills such as resume development and interview skills.
- d. Involvement with consumers served in creating and revising individualized job and career development plans that include;
  - i) Consumer strengths
  - ii) Consumer abilities
  - iii) Consumer preferences
  - iv) Consumer's desired outcomes
- e. Assistance in locating employment opportunities that is consistent with the consumer's strengths abilities, preferences, and desired outcomes.
- f. Integrated supported employment, including outreach/job coaching and support in a normalized or integrated work site, if required.
- g. Services are provided by or under the supervision of a mental health professional

Respite Care is a service to sustain the primary caregivers of children with serious or emotional disorders or adults with mental illness. This is accomplished by providing observation, direct support and monitoring to meet the physical, emotional, social and mental health needs of an individual consumer by someone other than the primary care givers. Respite care should be provided in a manner that provides necessary relief to caregivers. Respite may be provided on a planned or an emergent basis and may be provided in a variety of settings such as in the consumer or caregiver's home, in an organization's facilities, in the respite worker's home etc. The care should be flexible to ensure that the individual's daily routine is maintained. Respite is provided by, or under the supervision of, a mental health professional. Respite under this waiver is only available to those consumers who do not have this coverage under some other federal program.

Mental Health Clubhouse: A service specifically contracted by the PIHP to provide a consumer directed program to Medicaid enrollees. These services provided at a clubhouse may be in the form of support groups, related meetings, consumer training, peer support, etc. Consumers may drop in on a daily basis and participate, as they are able. Mental Health Clubhouses are not an alternative for day support services. Clubhouses must use the International Center for Clubhouse Development (ICCD) standards as guidelines. Mental health Clubhouse must operate at least ten hours a week after 5:30 p.m., Monday through Friday, or anytime on Saturday or Sunday. Services include the following:

- h. Opportunities to work within the clubhouse, which contributes to the operation and enhancement of the clubhouse community.
  - i. Opportunities to participate in administration, public relations, advocacy and evaluation of clubhouse effectiveness.
  - j. Assistance with employment opportunities; housing, transportation, education and benefits planning.
  - k. Opportunities for socialization activities.
- Mental Health Clubhouses are not an alternative for day support services.

## Reserve Clarification Memorandum

### MEMORANDUM

**TO:** RSN Administrators  
RSN Fiscal Staff

**FROM:** Richard Kellogg, Director, Mental Health Division  
Susan Lucas, Director, Division of Finance and Rates

**DATE:** January 18, 2007

**RE:** Risk Reserve and Fund Balances

The following information is intended to clarify questions you may have about risk reserve and fund balances.

#### **Reserve Percentage**

Reserve accounts are reviewed with each submittal of the Revenue and Expenditure report. At the end of the state fiscal year, all submitted Revenue and Expenditure Reports are combined and reviewed for compliance. This combined annual report must show reserve balances at the exact percentage required by the contract. If an RSN is out of compliance, a formal letter will be sent requiring a plan to spend down excess reserves, or a plan to replenish low reserves. The information in this plan is provided to CMS and other stakeholders upon request.

Because reserve funds are actuarially determined, there is no intent to change the current contract language requiring a specific percentage of funds based on the annual premium payment. Our recommendation is to work with your governing board to develop reserve language similar to the contract language that gives the RSN's fiscal staffs the necessary flexibility to increase or decrease the reserve account at state fiscal year end.

#### **Replenishing Reserves**

Per your contract, if the Contractor spends a portion of their risk reserve, the funds must be replenished within one year, or at the end of the fiscal year in which the funds were spent, whichever is longer.



## Encumbrance Reserve Clarification

### RESOURCES:

#### **Supplemental BARS description:**

Reserve for Encumbrances - Funds designated from mental health revenue resources that are legally restricted for specific purposes either through official action of the RSN governing body or legal commitments. Examples are executory (unperformed) contracts, outstanding purchase orders, and fund set aside pending litigation outcome.

#### **BARS Description (281.10)**

General Ledger Accounts – Account definitions

An account used to indicate that portion of fund balance which has been segregated for expenditure under unperformed (executory) contracts.

At year-end, this account represents prior-year appropriation authority carried forward to the next year. This account may also be used to record outstanding purchase orders and other contracts, even though appropriation authority lapses at year-end, if the intent of the government is to honor the contracts.

### **WHEN TO USE RESERVE FOR ENCUMBRANCES:**

Use encumbrance reserve :

- at year end if prior year appropriation authority is being carried forward to pay for a future service
- for estimated and/or known Litigation amounts

Do not use encumbrance reserve:

- if service has been provided and not yet paid for. This is considered an accrual.
- for routine contracts – This amount is expected to be paid from current revenue.
- for contracts to be paid from future revenues

## **FMAP**

The Federal Medical Assistance Percentages (FMAPs) are used in determining the amount of Federal matching funds for State expenditures for assistance payments for certain social services, and State medical and medical insurance expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.

The "Federal Medical Assistance Percentages" are for Medicaid. Section 1905(b) of the Act specifies the formula for calculating Federal Medical Assistance Percentages.

"Enhanced Federal Medical Assistance Percentages" are for the State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. Section 2105(b) of the Act specifies the formula for calculating Enhanced Federal Medical Assistance Percentages. There is no specific requirement to publish the Enhanced Federal Medical Assistance Percentages; we include them in the FMAP notice for the convenience of the States.

The Federal financial participation matching rates for each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands for fiscal years from 1996 are available at (the federal government site) <http://aspe.hhs.gov/health/fmap.htm>

Mental Health Division  
Revenue and Expenditure Report Instructions